

STATEMENT OF  
FCC COMMISSIONER GLORIA TRISTANI  
BEFORE THE SENATE COMMITTEE ON COMMERCE, SCIENCE, AND  
TRANSPORTATION

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Good morning Mr. Chairman and Members of the Committee. I am pleased to be here today to discuss the role of the FCC as we continue to work toward the goal set forth in the Telecommunications Act of 1996 of opening telecommunications markets to competition for the benefit of *all* Americans. I'm also pleased to report that we have made some progress in the past year. I wanted to update the Committee on some things we have accomplished and where we might go from here.

First and foremost is universal service. In rural states like my home state of New Mexico, universal service permits average Americans to have phone service who otherwise would not be able to afford it. Right now, we are working to ensure that universal service support does not erode as competition develops. I believe the Commission will take important steps at tomorrow's Agenda meeting to resolve key issues relating to high-cost support for non-rural carriers. The Commission not only will address the recommendations that the Federal-State Joint Board on Universal Service submitted for its consideration last November but also will take additional steps toward implementing the economic model that will ultimately be used to determine support amounts. Both at the Commission and as a member of the Joint Board, I have been pleased to observe the increasingly cooperative relationship between federal and state commissioners in fulfilling Congress' goals for universal service reform.

One aspect of universal service that is particularly important to me is connecting unserved areas. In enacting Section 254, Congress told us not only to "preserve" but to "*advance*"

universal service. I see no more worthy means of advancing universal service than to devise creative solutions to problem of unserved areas. In many of these areas, customers remain unserved because the alternative is to pay the local phone company thousands of dollars to have a line extended to their home. This is unacceptable. I believe the federal government, in the interest of advancing universal service, must take a more active role in connecting all Americans.

I would note that many unserved areas are on Indian lands, and that Indians are among the poorest groups of Americans. Chairman Kennard has recognized this problem, and I commend his leadership on this issue. Earlier this year, the Chairman and I held a field hearing in New Mexico where we took testimony and visited Indian reservations to learn firsthand about the causes of this problem and some possible solutions. Subsequently, Commissioner Ness and Commissioner Furchtgott-Roth joined Chairman Kennard for similar field hearings in Arizona. Those hearings marked the beginning of a real commitment in the area of telecommunications to better fulfill the federal government's trust obligation with respect to Indians living on reservations.

In addition, I would like to express my continuing support for the e-rate program. I plan to cast my vote at tomorrow's Agenda meeting to fully fund the e-rate program at \$2.25 billion for the upcoming school year. I appreciate the support that many in Congress have expressed for our implementation of this program, which I believe is a crucial step toward improving education in this country and preparing the United States to compete in the new global economy. The goals of the program are sound and I am convinced that the e-rate funds that have recently been committed to schools and libraries around the country will generate enormous social and economic benefits for the nation in the years ahead.

Another way in which we can provide all Americans access to telecommunications is to fully and meaningfully implement Section 255's mandate that telecommunications services be "accessible to and usable by individuals with disabilities, if readily achievable." In implementing this requirement, we must recognize not only that the telecommunications sector is one of the largest and fastest growing in our economy, but also that it plays a crucial *foundational* role in our society. The ability to use telecommunications is now a prerequisite for many jobs, making access to such services vital to those 54 million Americans with disabilities. While I look forward to completing our Section 255 rulemaking soon, we must not stop there. Our commitment to access should be ongoing. Future rulemakings should routinely examine the effect of the proposed action on people with disabilities.

Another of my priorities is effective implementation of our enhanced 911 rules for wireless providers. In our mobile society, wireless phones play a vital public safety role. We recently adopted new requirements for improved 911 call completion, and I am eager to proceed with resolution of remaining implementation issues such as technology choice, cost-recovery and liability limitations. I also applaud the initiatives pending in Congress on liability and designating 911 as a national emergency number.

An area of increasing importance to all Americans is broadband deployment. Access to broadband capacity will be a crucial tool for our citizens to compete in the information economy of the 21st century. In Section 706 of the 1996 Act, Congress directed the Commission to monitor the roll-out of advanced telecommunications capability, and, if necessary, take steps to ensure that all Americans have access to such capability on a reasonable and timely basis. This year, we issued our first Section 706 Report, which was guardedly optimistic about the state of broadband deployment while recognizing that it is still too early in the process to declare victory.

Indeed, with respect to rural and other hard-to-serve areas, I remain more guarded than optimistic. I am not yet convinced that these Americans will have access to advanced services on a reasonable and timely basis. This is an area I will continue to pursue aggressively, consistent with Congress' intent. Indeed, in the past week we received a letter from ten Senators setting forth several specific and thoughtful suggestions on how we could encourage the deployment of advanced services to rural areas. I look forward to working with members of Congress to ensure that rural consumers will not be left behind as advanced telecommunications services become a marketplace reality in many areas of the country.

I believe there are two ways to accelerate the rollout of advanced services. The first is to ensure that competitors have access to the basic building blocks of advanced services that are controlled by incumbent LECs. That includes things like conditioned local loops and collocation space. Competitors can then combine those inputs with their own advanced services equipment to offer high speed connections to end users. The Commission recently strengthened its collocation rules and in the near future the Commission will, I hope, formally reinstate the requirement that conditioned loops be made available to competitors.

The second way to spur advanced services is to make sure we're not overregulating the provision of those services by incumbent LECs. I recognize that there may be markets where, unlike the market for basic local telephone service, incumbents do *not* have a hundred-year head start. We need to think carefully before applying rules that may be ill-suited for such emerging markets. If we proceed thoughtfully in this area, I am optimistic that the FCC's policies will provide the right incentives for both new entrants and incumbents to furnish the bandwidth that millions of consumers are asking for.

On the broadcast side, one of the things that we have been working on to broaden opportunities for all Americans are new rules on Equal Employment Opportunity. As the Committee is aware, this past year a panel of the U.S. Court of Appeals for the District of Columbia Circuit struck down the outreach portions of our previous EEO rules because it believed (wrongly, I think) that our rules effectively required hiring decisions based on race. We are working on new rules that will address the court's concerns while ensuring that all segments of the community have the opportunity to participate in, own, and see themselves reflected in, the media that has such a pervasive impact on our nation's cultural and political life.

There are those who question whether we can craft new EEO rules that will withstand judicial review. I do not doubt that any rules we adopt will be challenged in court, and I have no illusions that some will argue that even the most modest EEO rules require the strictest judicial scrutiny. But if the burden of proof is high, so are the stakes. I believe we must make every effort to develop a meaningful EEO program that can and will be sustained.

Although much of the Commission's work addresses the broad structure of the telecommunications industry, the actions I've drawn the most satisfaction from are those that directly improve the daily lives of average Americans. That is why I strongly supported the rules we adopted last December to combat slamming. I am profoundly disappointed that the D.C. Circuit stayed a significant portion of those rules last week, just as they were about to become effective. In the wake of the stay, I continue to support the Commission's aggressive enforcement efforts against slammers, which I hope and expect will reduce the frequency with which consumers are slammed until we have new rules in place.

Another consumer issue in which I've been intensely interested is the V-chip. This is the year that the V-chip will finally become a reality in the lives of average Americans. By July 1, half of

the new television models with screens thirteen inches or larger must have a V-chip installed. By January 1, 2000, all such sets must have a V-chip. This will empower parents to protect their children from material that they deem unsuitable for their children. I commend you, Mr. Chairman, and other members of this Committee for your early and vigorous leadership on this issue.

I was honored to have been appointed by Chairman Kennard to head an FCC Task Force to ensure that the impending roll-out of the V-chip is a success. One of the most important objectives of the Task Force is to ensure that all parts of the blocking system are in place and working, so that a parent who buys a TV set can be assured that the blocking function will work. We also will be working with various industry, consumer and other groups to educate parents about the V-chip and how it can be used in their daily lives.

Once again, I appreciate the opportunity to testify before you today.